

Office of Head Start
Fact Sheet for Notice of Proposed Rulemaking Related to the
Head Start Redesignation Process

Today the Department of Health and Human Services, Administration for Children and Families, Office of Head Start (OHS) released a notice of proposed rulemaking to issue new regulations regarding the Head Start grant process. For the first time in the history of Head Start, these proposed regulations will require grantees that are not providing quality services to children to compete for continued funding. These regulations will implement a provision of the Improving Head Start for School Readiness Act of 2007 and are now available for public comment.

The law and these regulations recognize that while the majority of Head Start and Early Head Start grantees are providing a quality Head Start program, OHS owes to the children we serve – and to taxpayers – assurance that Federal dollars are only going to the most capable organizations that are committed to preparing our most vulnerable children to enter school ready to learn.

The Department of Health and Human Services has also sent a report to Congress that provides a detailed description of the proposed new system.

Background:

- The Improving Head Start for School Readiness Act of 2007, enacted on December 12, 2007, provides the Department of Health and Human Services with the authority to re-compete Head Start grants.
- The Head Start Act of 2007 establishes that Head Start grantees will be awarded grants for a five-year period, and only grantees delivering quality services will be given another five-year grant non-competitively. Grantees determined as not meeting the new standards outlined in the proposed system will be required by law to re-compete for their Head Start grant.
- In the past, the Head Start grant process has allowed Head Start programs to continue to receive their continued grant funding without competition except in cases of extremely poor performance.
- On March 2, 2008, the Secretary of Health and Human Services convened an expert committee which made recommendations on the development of a designation renewal system. The Administration for Children and Families has incorporated the majority of the committee's recommendations.
- The goal of this proposed rule is to create a system for determining which grantees will be required to compete for continued funding that is based on reliable measures of program quality, and that is transparent to grantees, parents and the public.
- The rule will apply to both Head Start and Early Head Start (programs serving pregnant women, infants, and toddlers) programs.
- Requiring lower performing programs to compete for funding provides a strong incentive for grantees to strive to meet quality standards and ensures that those

that do not “make the grade” are replaced by organizations that can provide higher-quality, comprehensive education and development services to eligible children. This process will result in a stronger Head Start program nationally and improved services to children and families locally.

ACF’s Proposed Designation Renewal System for the Office of Head Start

- To ensure that our children and families are receiving a quality Head Start experience, the Administration for Children and Families is proposing conditions and criteria that will require grantees to re-compete.
- The Administration for Children and Families has set a list of seven specific performance conditions that will automatically force a grantee to re-compete their grant.
- These seven specific performance conditions fall under the categories of Quality; Licensing and Operation; and Fiscal and Internal Controls.
- If the seven specific conditions do not result in 25 percent of grantees re-competing for funding, then those grantees who score poorly on an additional quality measure or measures will be required to re-compete. The 25 percent standard is somewhat higher than that recommended by the advisory committee. The Administration for Children and Families set this higher minimum level to ensure that lower performing programs will face competition.
 - The proposed rule indicates that HHS is considering two options for this additional quality measure and is seeking comments and suggestions on these proposed measures.

The Performance Conditions That Mandate Re-competition Are:

Quality

There are several indicators of program quality that will be used to determine if a grantee will be required to compete for continued funding. Under the proposed rule, a grantee will be required to re-compete for their grant if:

- *The grantee has one or more deficiencies during a single monitoring review.* Under existing Head Start rules, HHS conducts a comprehensive monitoring review of each Head Start grantee at least once every three years. The on-site review looks at performance in a broad array of areas, including: classroom management, including classroom instruction; parent and family involvement; health and safety standards, and nutrition programs; financial management; eligibility determination procedures; and services for special populations including children with special needs and homeless children. A "deficiency" is a finding of a serious failure to meet program expectations. Deficiencies must be corrected or a grantee risks losing federal funding. Under the proposed rule, even if a deficiency is corrected, the grantee will be required to re-compete for continued funding.

- *The grantee fails to establish and use goals for improving school-readiness of children in their program.*
- *The grantee has low performance on one or more domains of the Classroom Assessment Scoring System (CLASS) – a valid and reliable assessment instrument used by the Office of Head Start. The CLASS tool, already in use by Head Start grantees, is used to evaluate classrooms for their effectiveness in three areas: instructional support; emotional support; and classroom organization. The CLASS: Pre-K tool was developed by researchers at the University of Virginia and has been validated through vigorous research. The Office of Head Start has provided training and materials to all Head Start grantees to support grantees’ use of CLASS.*

Licensing and Operations

- *A grantee will be required to re-compete for their grant if:*
 - A grantee had its license to operate revoked by a State or local licensing agency
 - A grantee had its grant suspended by the Administration for Children and Families

Fiscal and Internal Controls

- *A grantee will be required to re-compete their grant if:*
 - A grantee has been “debarred” by any Federal or State agency from receiving Federal or State funds under any program. “Debarred” means that the grantee is not permitted to participate in the program.
 - An audit finds that the grantee has one or more “material weaknesses,” or is unable to ensure that it can continue as a going concern, meaning an agency that operates without the threat of liquidation for the foreseeable future.

Requirement that 25 Percent of All Grantees Re-Compete For Funds

The proposed rule will require at least 25 percent of all grantees to compete for their funding against other entities each cycle. The specific conditions described above may result in that 25 percent requirement being met. However, if that is not the case, additional grantees who score poorly on an additional quality measure or measures will be required to re-compete. It is a priority of this Administration to fund only quality organizations and to conduct effective and rigorous competitions. This Administration believes that setting a minimum 25 percent standard is appropriate to ensure that lower performing grantees are required to compete. The proposed rule sets forth two potential ways to select additional poor performing organizations, including a measure based on non-compliance findings in monitoring reviews. These are less serious violations of Head Start standards than deficiencies.

Timing

- The public has 90 days to comment on the proposed rule. HHS will review these comments carefully before issuing a final rule.
- ACF will begin implementing the new designation renewal system within 12 months of the publication of the final rule.
- ACF will convert the current continuous grants into five-year grants within a three-year transition period after the final rule is published. During the transition period, at least 25 percent of grantees will be required to re-compete for funding. Once all grants are transitioned, then decisions about whether a grantee will be required to compete for continued funding will be made in the fourth year of their grant.
- This rule does not change existing regulations for when a grant can be terminated. Under current Head Start rules, grantees that have serious violations of program rules – both rules directly to the care of children and those related to financial integrity and accountability – can be terminated. Under the proposed rule, terminated grantees will not be permitted to compete for funding for a period of five years.